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Attorneys for Defendants

**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

1. 1997 LAMBORGHINI DIABLO,  
VIN ZA9RU37P6VLA12636,
2. 2006 PORSCHE CAYENNE  
TURBO, VIN  
WP1AC29P96LA91296,
3. \$8,692.42 IN FUNDS SEIZED  
FROM COMMERCE BANK  
ACCOUNT HELD IN THE NAME  
OF PSA, LLC.,
4. \$6,314.76 IN FUNDS SEIZED  
FROM COMMERCE BANK  
ACCOUNT HELD IN THE NAME  
OF PHARMACY USA, LLC,
5. \$1,076,636.89 IN FUNDS SEIZED  
FROM TD AMERITRADE  
ACCOUNT HELD IN NAME OF  
CHRISTOPHER NAPOLI,

Defendants.

**Case No. 3:07-CV-03120-MMC**

**CASE MANAGEMENT STATEMENT**

Pursuant to Federal Rule of Civil Procedure 16(b), and the Initial Case Management  
Scheduling Order, local counsel for claimants hereby files this Case Management

1 Conference Statement. Counsel for the government, Stephanie Hinds, is unavailable until  
2 September 18, 2007, but these issues were discussed with Ms. Hinds prior to her departure.

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4 **1. The Basis for the Court's Subject Matter Jurisdiction:**

5 This Court has jurisdiction under Title 28, United States Code, Sections 1345 and  
6 1355, Title 21 United States Code, Section 881 and Title 18, United States Code Section  
7 981.

8  
9 **2. Issues Regarding Personal Jurisdiction or Venue:**

10 Claimants have been served with a copy of the Summons and Complaint. Claimants  
11 Christopher Napoli, Christine Napoli, Pharmacy USA, LLC, and PSA, LLC, have filed an  
12 Answer to the Complaint.

13 Claimants have denied that venue is proper in the Northern District of California. It is  
14 further denied that the property was located in the District at the time of seizure. Most of the  
15 seized property is presently located in New Jersey and Pennsylvania, but the government  
16 contends that the funds seized from the TD Ameritrade Account are in the custody of the  
17 Marshall in this District.

18  
19 Claimants contend that if venue were theoretically proper within the District, venue  
20 should be transferred to the Eastern District of Pennsylvania, where the claimants reside,  
21 where the property was located at the time of seizure, and where the litigation between the  
22 parties was pending before this action was undertaken.

23  
24 **3. Brief Description of the Case:**

25 This is a forfeiture action. The government contends the funds and properties seized  
26 were the proceeds from an illegal internet Pharmacy.  
27  
28

1 The Claimants contend the operation of the business was entirely lawful, as set forth  
2 in the Declaratory Judgment action filed in the Eastern District of Pennsylvania (and now  
3 pending in the United States Court of Appeals for the Third Circuit, captioned PSA, LLC, et  
4 al., v. Gonzales, et al., No. 07-2554).

6 **4. Proposal for Stay and Limited Discovery:**

7 The government and defense have discussed the possibility of staying this matter,  
8 while the grand jury investigation is pending. The government has drafted a stipulation to  
9 that effect. The parties have discussed one exception to the proposed stay regarding third  
10 party discovery of a witness in Chicago who may be in possession of records sought by both  
11 the government and Claimants.  
12

13 **5. Related Proceedings:**

14 There are no related forfeiture proceedings. A grand jury investigation is underway in this  
15 District, and a grand jury investigation has been active in the Eastern District of Pennsylvania. The  
16 claimants' prior declaratory judgment action is pending in the Third Circuit.  
17  
18  
19

20 Date: September 14, 2007

Respectfully submitted,

22 /s/ Christopher J. Cannon  
23 Christopher J. Cannon  
24

25 Date: September 14, 2007

/s/ Joseph P. Green  
26 Joseph P. Green  
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